

MICHAEL JAY BERGER (State Bar # 100291)
LAW OFFICES OF MICHAEL JAY BERGER
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E: michael.berger@bankruptcypower.com

Proposed Counsel for Debtor
Leslie Klein

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re

Case No.: 2:23-bk-10990-SK

Chapter 11

LESLIE KLEIN,

Debtor.

**DEBTOR'S INITIAL STATUS
CONFERENCE REPORT;
DECLARATION OF LESLIE KLEIN IN
SUPPORT THEREOF**

Date: April 12, 2023
Time: 9:00 A.M.
Courtroom: 1575
255 East Temple Street, Los Angeles, CA
90012

**TO THE HONORABLE SANDRA R. KLEIN, JUDGE OF THE UNITED STATES
BANKRUPTCY COURT, TO THE UNITED STATES TRUSTEE AND TO ALL
INTERESTED PARTIES AND THEIR ATTORNEYS OF RECORD:**

On behalf of Leslie Klein ("Debtor"), debtor and debtor-in-possession herein, the Law
Offices of Michael Jay Berger ("Debtors' Counsel") hereby submits the following Initial Status
Conference Report ("Initial Status Report"), as follows:

BRIEF DESCRIPTION OF DEBTOR'S BUSINESS AND OPERATIONS, IF ANY, AND THE

PRINCIPAL ASSETS AND LIABILITIES OF THE ESTATE:

Leslie Klein filed a chapter 11 bankruptcy petition on February 22, 2023 in the Central
District of California, as a Subchapter V case. On March 10, 2023, Debtor amended the
voluntary petition to unselect the Subchapter V election [docket no. 43].

Assets of the Estate:

Debtor has an ownership interest in the following real properties:

a) 322 N. June Street, Los Angeles, CA 90004 which is the Debtor's principal residence.

b) 315 N. Martel Avenue, Los Angeles, CA 90036. This is a rental property.

c) 143 S. Highland Drive, Los Angeles, CA 90036. This is a rental property.

d) 161 N. Poinsettia Place, Los Angeles, CA 90036. This is a rental property.

e) 2560 Whitewater Club Drive, Unit B, Palm Springs, CA 92262. This is a vacation home.

f) 3752 Ocean Drive, Oxnard, CA 93035. This is also a vacation home.

g) Debtor also has an interest in some real estate in Jerusalem, Israel. Information for these real estate assets will be provided in Debtor's Schedule A/B which are due by March 8, 2023.

Debtor has two leased vehicles, household goods, and an interest in Rechnitz Capital LLC, Bay Area Development, Co.,

Debtor's assets have an estimated total value of \$15,754,000.00.

Creditors of the Debtor

Debtor's secured creditors include various mortgage obligations against the real properties, and the lease obligation owed to Toyota Financing Services. The secured claims are estimated at \$5,166,381.00.

Debtor's general unsecured creditors include credit card obligations, and three lawsuits: Ericka and Joseph Vago vs. Leslie Klein / LASC Case No.: 20STCV25050 (judgment; pending appeal); Franklin H. Menlo Irrevocable Trust v. Leslie Klein / LASC Case No.: BP136769; and Jeffrey Siegel, Successor Trustee of the Hubert Scott Trust v. Leslie Klein / LASC Case No.: BP172432.

The events that precipitated the filing of the case include the pending foreclosure against Debtor's rental property located at 315 N. Martel Avenue, in Los Angeles, CA 90036 and the pending lawsuits.

BRIEF ANSWERS TO THE FOLLOWING QUESTIONS:

A. Proposed Deadline for filing a motion for order approving the adequacy of disclosure statement and a motion for order confirming Chapter 11 Plan.

Debtor proposes September 30, 2023 as the deadline to file a motion for order approving adequacy of disclosure statement in support of his Chapter 11 plan of reorganization. Debtor proposes January 19, 2024 as the deadline to file a motion for order confirming Chapter 11 Plan.

B. Proposed deadlines for filing proofs of claim and objections thereto.

Debtor proposes a deadline of June 15, 2023 for filing proofs of claim and August 30, 2023 as the deadline for objections to claims.

C. Debtor's duties under 11 U.S.C. Sections 521, 1106 and 1107.

Debtor filed his bankruptcy schedules and statement of financial affairs. Debtor submitted his 7-day package, and is working with counsel to amend the 7-day package to remain in compliance with the requirements of the Office of the U.S. Trustee.

D. Debtor's Post-Petition Operations, including authority to use cash collateral, litigation in which the Debtors are involved and the status of the Debtors' efforts to reorganize.

Debtor is in the process of preparing a motion for the use of cash collateral. Debtor operates three rental properties, and is keeping the rent from those properties in separate, segregated debtor-in-possession accounts. Debtor will not use the rent from the rental properties for any purpose until approval is gained for the use of cash collateral from the Court.

At the time of the filing, Debtor was a defendant in three lawsuits: Ericka and Joseph Vago vs. Leslie Klein / LASC Case No.: 20STCV25050 (judgment; pending appeal); Franklin H. Menlo Irrevocable Trust v. Leslie Klein / LASC Case No.: BP136769 (and the cases consolidated therewith); and Jeffrey Siegel, Successor Trustee of the Hubert Scott Trust v. Leslie Klein / LASC Case No.: BP172432. Debtor was also the plaintiff in one lawsuit: Leslie Klein, et al v. Rechnitz, et al / 22STCV18787.

Debtor is finalizing his February 2023 Monthly Operating Report. Debtor appeared at the initial debtor interview on March 6, 2023, and appeared at the creditors' meeting on March 13, 2023.

E. Filing documents electronically

Debtors' counsel is filing documents electronically.


F. Disclose information for professionals hired by Debtors, and if so, whether the professionals' employment has been approved by the Court.

On March 2, 2023, Debtor filed an Application to Employ Law Offices of Michael Jay Berger as general bankruptcy counsel ("Employment Application") [docket no.: 24]. On March 16, 2023, the United States Trustee filed an Opposition to the Application to Employ ("Opposition") [docket no. 48]. The Court set the Employment Application and Opposition for hearing on April 12, 2023 [docket no.: 52].

LAW OFFICES OF MICHAEL JAY BERGER

Dated: March 29, 2023

By:


Michael Jay Berger
Proposed Counsel for Leslie Klein

DECLARATION OF LESLIE KLEIN

I, Leslie Klein, declare and state as follows:

1. I am the debtor and debtor-in-possession ("Debtor") in the above-referenced bankruptcy case. I have personal knowledge of the facts set forth below and if called to testify as to those facts, I could and would competently do so.

2. I filed a chapter 11 bankruptcy petition on February 22, 2023 in the Central District of California as a Subchapter V case. On March 10, 2023, I amended the voluntary petition to unselect the Subchapter V election [docket no. 43]. I am not a small business case as defined in 11 U.S.C. Section 101(51D) nor a single asset real estate case as defined in 11 U.S.C. Section 101(51B).

3. I have an ownership interest in the following real properties:

a) 322 N. June Street, Los Angeles, CA 90004 which is the Debtor's principal residence.

b) 315 N. Martel Avenue, Los Angeles, CA 90036. This is a rental property.

c) 143 S. Highland Drive, Los Angeles, CA 90036. This is a rental property.

d) 161 N. Poinsettia Place, Los Angeles, CA 90036. This is a rental property.

e) 2560 Whitewater Club Drive, Unit B, Palm Springs, CA 92262. This is a vacation home.

f) 3752 Ocean Drive, Oxnard, CA 93035. This is also a vacation home.

g) I also have an interest in some real estate in Jerusalem, Israel. Information for these real estate assets are provided in Debtor's Schedule A/B.

4. I have two leased vehicles, household goods, and an interest in Rechnitz Capital LLC, Bay Area Development, Co.

5. My assets have an estimated total value of \$15,754,000.00.

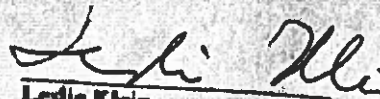
1 6. Debtor's secured creditors include various mortgage obligations against the real
2 properties, and the lease obligation owed to Toyota Financing Services. The secured claims are
3 estimated at \$5,166,381.00.

4 7. Debtor's general unsecured creditors include credit card obligations, and three
5 lawsuits: Ericka and Joseph Vago vs. Leslie Klein / LASC Case No.: 20STCV25050 (judgment;
6 pending appeal); Franklin H. Menlo Irrevocable Trust v. Leslie Klein / LASC Case No.:
7 BP136769; and Jeffrey Siegel, Successor Trustee of the Hubert Scott Trust v. Leslie Klein /
8 LASC Case No.: BP172432.

9 8. The events that precipitated the filing of the case include the pending foreclosure
10 against Debtor's rental property located at 315 N. Martel Avenue, in Los Angeles, CA 90036 and
11 the pending lawsuits.

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1 I declare under penalty of perjury that the foregoing is true and correct and that this
2 declaration is executed on March 29, 2023, at Los Angeles, California.
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Leslie Klein

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
9454 Wilshire Blvd., 6th FL., Beverly Hills, CA 90212

A true and correct copy of the foregoing document entitled (*specify*): **DEBTOR'S INITIAL STATUS
CONFERENCE REPORT; DECLARATION OF LESLIE KLEIN IN SUPPORT THEREOF**

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 3/29/2023, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☐ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (*date*) 3/29/2023, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 3/29/2023, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Honorable Sandra Klein
United States Bankruptcy Court
Central District of California
Edward R. Roybal Federal Building and Courthouse
255 E. Temple Street, Suite 1582 / Courtroom 1575
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

3/29/2023
Date

Yathida Nipha
Printed Name

/s/Yathida Nipha
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Goe Forsythe & Hodges: Reem J Bello rbello@goeforlaw.com, kmurphy@goeforlaw.com

Goe Forsythe & Hodges Robert P Goe kmurphy@goeforlaw.com,

rgoe@goeforlaw.com;goeforecf@gmail.com

Interested Party: Alan G Tippie Alan.Tippie@gmlaw.com,

atippie@ecf.courtdrive.com;Karen.Files@gmlaw.com,patricia.dillaman@gmlaw.com,

denise.walker@gmlaw.com

Debtor's Counsel: Michael Jay Berger michael.berger@bankruptcypower.com,

yathida.nipha@bankruptcypower.com;michael.berger@ecf.inforuptcy.com

Interested Party: Greg P Campbell chl1ecf@aldridgepite.com,

gc@ecf.inforuptcy.com;gcampbell@aldridgepite.com

Counsel for Wilmington Savings Fund: Theron S Covey tcovey@raslg.com, sferry@raslg.com

Interested Party: Dane W Exnowski dane.exnowski@mccalla.com,

bk.ca@mccalla.com,mccallaecf@ecf.courtdrive.com

U.S. Trustee: Michael Jones michael.jones4@usdoj.gov

U.S. Trustee: Ron Maroko ron.maroko@usdoj.gov

Counsel for Ajax Mortgage: Joshua L Scheer jscheer@scheerlawgroup.com, jscheer@ecf.courtdrive.com

Subchapter V Trustee: Mark M Sharf (TR) mark@sharflaw.com,

C188@ecfcbis.com;sharf1000@gmail.com

United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov

Interested Party: Michael L Wachtell mwachtell@buchalter.com

U.S. Bank: John P. Ward jward@attleseystorm.com, ezhang@attleseystorm.com

Interested Party: Paul P Young paul@cym.law, jaclyn@cym.law

2. SERVED BY UNITED STATES MAIL:

U.S. Trustee

Attn: Ron Maroko, Esq.

915 Wilshire Blvd., Ste. 1850

Los Angeles, CA 90017

Subchapter V Trustee

Mark M. Sharf

6080 Center Drive #600

Los Angeles, CA 90045

SECURED CREDITORS:

CCO Mortgage Corp.

Attn: Bankruptcy

10561 Telegraph Rd

Glen Allen, VA 23059

Chase Mortgage

BK Department

Mail Code LA4 5555

700 Kansas Ln

Monroe, LA 71203

Fay Servicing Llc
Attn: Bankruptcy Dept
Po Box 809441
Chicago, IL 60680

Mrc/united Wholesale M
Attn: Bankruptcy
P. O. Box 619098
Dallas, TX 75261

Selene Finance
Attn: Bankruptcy
Po Box 8619
Philadelphia, PA 19101

Shellpoint Mortgage Servicing
Attn: Bankruptcy
Po Box 10826
Greenville, SC 29603

Toyota Financial Services
Attn: Bankruptcy
Po Box 259001
Plano, TX 75025

Toyota Motor Credit Corp.
PO Box 9013
Addison, TX 75001 (Address from POC)

Ericka and Joseph Vago
c/o Brian Procel
Procel Law
401 Wilshire Blvd., 12th Floor
Santa Monica, CA 90401

Ericka and Joseph Vago
124 N. Highland Ave
Sherman Oaks, CA 91423

Fay Servicing LLC
Attn: Bankruptcy Dept
Po Box 809441
Chicago, IL 60680

Fiore Racobs & Powers
c/o Palm Springs Country Club HOA
6820 Indiana Ave., Ste 140
Riverside, CA 92506

Gestetner Charitable Remainder Trus
c/o Andor Gestetner
1425 55th Street
Brooklyn, NY 11219

Los Angeles County Tax Collector
Bankruptcy Unit
PO Box 54110
Los Angeles, CA 90054-0027 (Address from POC)

Mrc/united Wholesale M
Attn: Bankruptcy
P. O. Box 619098
Dallas, TX 75261

Selene Finance
Attn: Bankruptcy
Po Box 8619
Philadelphia, PA 19101

Shellpoint Mortgage Servicing
Attn: Bankruptcy
Po Box 10826
Greenville, SC 29603

Toyota Financial Services
Attn: Bankruptcy
Po Box 259001
Plano, TX 75025

20 LARGEST UNSECURED CREDITORS AND INTERESTED PARTIES:

Andor Gestetner
c/o Law Offices of Jacob Unger
5404 Whitsett Ave Ste. 182
Valley Village, CA 91607

California Bank & Trust
Po Box 711510
Santee, CA 92072

Bank of America
Attn: Bankruptcy
4909 Savarese Circle
Tampa, FL 33634

CCO Mortgage Corp.
Attn: Bankruptcy
10561 Telegraph Rd
Glen Allen, VA 23059

Bank of America
PO Box 673033
Dallas, TX 75267 (Address from POC)

Chase Card Services
Attn: Bankruptcy
P.O. 15298
Wilmington, DE 19850

Barclays Bank Delaware
Attn: Bankruptcy
Po Box 8801
Wilmington, DE 19899

Chase Card Services
Attn: Bankruptcy
Po Box 15298
Wilmington, DE 19850

Chase Doe
143 S. Highland Drive
Los Angeles, CA 90036

Chase Mortgage
BK Department
Mail Code LA4 5555 700 Kansas Ln
Monroe, LA 71203

Citibank
Attn: Bankruptcy
P.O. Box 790034
St Louis, MO 63179

Franklin H. Menlo Irrevocable Trust
c/o Willkie Farr & Gallagher LLP
Attn: Alex M. Weingarten, Esq.
2029 Century Park East, Suite 3400
Los Angeles, CA 90067

Jacob Rummitz
315 N. Martel Avenue
Los Angeles, CA 90036

Jeffrey Siegel, Successor Trustee
of the Hubert Scott Trust
c/o Oldman, Cooley, Sallus
16133 Ventura Blvd., Penthouse Suit
Encino, CA 91436-2408

Leslie Klein & Associates, Inc.
c/o Parker Milliken
555 Flower Street
Los Angeles, CA 90071

Oldman, Cooley, and Sallus
16133 Ventura Blvd., Penthouse Suit
Encino, CA 91436-2408

Sandra Layton
161 N. Poinsettia Place
Los Angeles, CA 90036